



October 6, 2009

To Whom It May Concern

Heiwa Real Estate Co., Ltd.
Sakutaro Kimbara
President, Director
(Code No. 8803)

Notification of the Acquisition of Shares of Canal Investment Trust Co., Ltd. (as a Wholly Owned Subsidiary) and the Subscription of Allotment of New Investment Accounts of CRESCENDO Investment Corporation to a Third Party

Heiwa Real Estate Co., Ltd. wishes to notify you that its Directors resolved, as of the Board of Directors meeting held today, to make Canal Investment Trust Co., Ltd. (an asset management company of CRESCENDO Investment Corporation) its wholly owned subsidiary by acquiring the shares and stock acquisition rights of Canal Investment Trust Co., Ltd., and to subscribe the allotment of new investment accounts of CRESCENDO Investment Corporation to a third party.

As part of Growth 2009, a former medium-term management plan, the Company sought to gain profit-earning opportunities for the asset development business through the REIT (Real Estate Investment Trust) business. Towards this end, we helped CRESCENDO Investment Corporation list on the REIT securities market in the Tokyo Stock Exchange. Further, we executed a business collaboration agreement with Canal Investment Trust Co., Ltd. on the provision of information. Through these activities, we have cooperated with CRESCENDO Investment Corporation on property acquisitions and management of the assets held.

Since then, with rising real estate sales and expanding real estates liquidation business operated by domestic and overseas funds, CRESCENDO Investment Corporation has achieved growth for itself in its own way while continuing cooperation with the Company. Meanwhile, we have been trying to expand our own businesses, including a business to launch operations for new private real estate investment funds, while continuing cooperation with CRESCENDO Investment Corporation.

The domestic REIT market, however, has faced extremely severe conditions, including a deteriorating fund-raising environment and reduced real estate liquidity, due to the economic downturn precipitated by the global financial crisis and credit crunch ongoing since last autumn. Accordingly, CRESCENDO Investment Corporation now faces a material need to raise funds for the redemption of 20 billion yen of the first investment corporation bond set to mature on October 30, 2009, and for the new expansion of assets held. Meanwhile, the Company has reviewed its new strategy for the sustainable growth of the asset development business.

Finally, the Company has decided to pursue sustainable growth of its asset development business by further concentrating human and monetary resources into its REIT management business while aiming to expand the Group as a whole, including the property management business and real estate brokerage business. To this end, the Company has decided to implement the plans mentioned above.

As the initial step, we will take the initiative to engage in the design of a consistent growth strategy for the management assets of CRESCENDO Investment Corporation, the administration of its operations, and the enforcement of the financial strategy by making Canal Investment Trust Co., Ltd. our wholly owned subsidiary. To this end, we plan to dispatch several new Directors and Statutory Auditors designated by us.

We will also be enabling the redemption of the first investment corporation bond of CRESCENDO Investment Corporation by subscribing the allotment of its new investment accounts to a third party, and we will be supporting CRESCENDO's efforts to acquire properties for further growth.

1. Summary of Each Plan

(1) Content of acquisition of shares of Canal Investment Trust Co., Ltd. (as a wholly owned subsidiary)

A. The acquisition of 3,516 shares of Canal Investment Trust Co., Ltd. held by Mr. Mitsuhiro Utata or two other persons.
(Scheduled to take place on October 19, 2009)

This will increase the number of shares we hold from 1,452 shares to 4,968 shares and increase the ratio of our shareholdings from 29.22% (rounded off to the second decimal point) to 100.00%.

B. The acquisition of 1,100 stock acquisition rights held by Mr. Mitsuhiro Utata
(Scheduled to take place on October 19, 2009)

C. The dispatch of four Directors and one Statutory Auditor designated by us, in addition to the three Directors and one Statutory Auditor now posted.
(Scheduled to take place on October 19, 2009)

(2) Content of subscription of allotment of new investment accounts of CRESCENDO Investment Corporation to a third party

Our subscription of an allotment of 23,238 new investment accounts (3,000,025,800 yen) of CRESCENDO Investment Corporation to a third party
(Scheduled for payment on October 19, 2009)

This will increase the number of investment accounts we hold from 2,335 to 25,573 and increase the ratio of the number of investment accounts we hold from 2.14% to 19.38% (rounded off to the second decimal point).

(3) Change of Managing Officers of CRESCENDO Investment Corporation (Scheduled to take place on December 2009)

2. Future Prospects

We expect that the acquisition of shares and the subscription of investment accounts under the aforesaid plans will have little effect on our consolidated performance.

[Reference]

1. Summary of Heiwa Real Estate Co., Ltd.

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| (1) Name: | Heiwa Real Estate Co., Ltd. |
| (2) Business activities: | Buildings, housing, asset development and other businesses |
| (3) Date of establishment: | July 1947 |
| (4) Head office: | 1-10, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo |

(5) Representative: Sakutaro Kimbara President, Director

2. Summary of CRESCENDO Investment Corporation

(1) Name: CRESCENDO Investment Corporation
(2) Business activities: Under the Investment Trust and Investment Corporation Act, to invest assets mainly in real estate and specified assets such as real estate securities, and to manage the assets
(3) Date of establishment: January 31, 2002
(4) Head office: 5-1, Atago 2-chome, Minato-ku, Tokyo
(5) Representative: Mitsuhiro Utata Managing Officer

3. Summary of Canal Investment Trust Co., Ltd.

(1) Name: Canal Investment Trust Co., Ltd.
(2) Business activity: Investment management
(3) Date of establishment: March 24, 2000
(4) Head office: 5-1, Atago 2-chome, Minato-ku, Tokyo
(5) Representative: Mitsuhiro Utata Representative Director